

COMMITTEE MEMBERS

Brian L. Davie
Chair

Jim Barnes
Vice-Chair

Diane Comeaux

Andrew MacKay

Rex Reed

Tara Hagan
Executive Officer

Jenny Potts
Administrative Asst.

Cameron Vandenberg
Deputy Attorney General

Plan Website

<http://defcomp.state.nv.us>



Committee Welcomes New Members

Andrew MacKay

Andy MacKay serves as Chairman of the Nevada Transportation Authority (NTA). Andy began working for the State of Nevada in August of 2005 when Governor Kenny Guinn named him Commissioner of the NTA. Governor Jim Gibbons appointed him as Chairman in February of 2007. Prior to joining the State, Andy served as a partner of several companies, including an advertising and marketing company as well as a commercial printing company.

A fourth generation Nevadan, Andy graduated from the University of Nevada with a Bachelor of Science Degree in Business Administration.

James Barnes

Jim Barnes is a 1972 graduate of Columbia Law School. He has practiced law for 37 years. Mr. Barnes served as Nevada Chief Deputy Attorney General in the 1970s and 1980s. He was Director of both the Nevada Department of Industrial Relations and the Nevada Department of Energy in the 1980s. In 1991, he was appointed Washoe County Deputy District Attorney, a position he held until 2004. Since 2004, Mr. Barnes has engaged in the private practice of law in Reno.

Mr. Barnes served as Chairman of the Nevada Committee for Deferred Compensation for State Employees for many years in the 1980s. He is very interested to return to the Committee where he intends to be a positive force in representing the interests of all of the participants in the Plan.

2008 Reimbursements to Participants

During 2008, the Plan had unused expense amounts from our Program costs. The monies were returned to Participants as a credit to their accounts. The amounts varied from \$900 to \$10 per participant and was based proportionately on participant balances as of 12/31/08.

You should have seen this credit to your account in early November. Please note Participants with a credit of less than \$10 did not receive a credit.

Rex Reed

Rex Reed is our newest Committee member. Rex was appointed in mid-November and is currently employed by the Nevada Department of Corrections as the Administrator of the Offender Management Division. For additional information on all Committee members, please visit the Plan's website.

Thank you to Micah Salerno for being the first administrative assistant for the Program. Her hard-work and dedication will certainly be missed.

Nevada Life and Health Guaranty Association Coverage

UPDATE AS OF OCTOBER 28, 2009

Staff reported in March 2009 that the Nevada Life and Health Guaranty Association coverage of up to \$100,000 per participant was applicable to the guaranteed options (Hartford General Account and ING Stabilizer Fund) in the Nevada Deferred Compensation Program (NDC). Unfortunately after discussions with the Guaranty Association, Nevada Division of Insurance, Nevada Attorney General's Office and the investment providers, it was discovered the coverage does **NOT** extend to supplemental retirement programs in Nevada, such as NDC. Due to this, Staff has updated the Question and Answers (Q&A) piece that was previously distributed which is available on our website. In order to help protect your investments, the Board has determined what action may be taken if either Provider's ratings should fall below the "Trigger Line". The charts below show the Provider's current ratings and the Trigger line. Please contact our office with any questions or concerns regarding this issue.

AM Best	Fitch	Moody's	S&P
A++	AAA	Aaa	AAA
A+	AA+	Aa1	AA+
A	AA	Aa2	AA
A-	AA-	Aa3	AA-
B++	A+	A1	A+
B+	A	A2	A
B	A-	A3	A-
B-	BBB+	Baa1	BBB+
C++	BBB	Baa2	BBB
C	BBB-	Baa3	BBB-

HARTFORD RATINGS

Key

Green = as of June 30, 2007 (as part of previous RFP decision)

Blue = as of August 12, 2009 (no changes in ratings since printing of newsletter)

Red = Possible Provider Request for Proposal (RFP) Trigger

AM Best	Fitch	Moody's	S&P
A++	AAA	Aaa	AAA
A+	AA+	Aa1	AA+
A	AA	Aa2	AA
A-	AA-	Aa3	AA-
B++	A+	A1	A+
B+	A	A2	A
B	A-	A3	A-
B-	BBB+	Baa1	BBB+
C++	BBB	Baa2	BBB
C	BBB-	Baa3	BBB-

ING RATINGS (ILIAC only)

Key

Green = as of June 30, 2007 (as part of previous RFP decision)

Blue = as of October 28, 2009 (no changes in ratings since printing of newsletter)

Red = Possible Provider Request for Proposal (RFP) Trigger

Nevada Deferred Compensation Committee 2009 Meeting Dates

<u>Date</u>	<u>Location</u>	<u>Time</u>
Feb. 17, 2010	Legislative Building, 401 S. Carson St., Carson City, Rm. 2135	9:00AM

Deferral Limits for 2010

The IRS sets limits on the amount of wages that you can contribute to the Plan each year. These limits are tied to inflation statistics, which are recalculated each fall for the following calendar year. The annual deferral limits for 2010 will remain the same as the 2009 limits.

	<u>2009</u>	<u>2010</u>
Regular Limit	\$16,500	\$16,500
Age 50 plus limit	\$22,000	\$22,000
Three-year catch-up limit	\$33,000	\$33,000

If you would like to change your contribution amount, please visit our website for the necessary forms or contact us at 775.882.0760.

Upcoming Changes to Lifecycle Funds

Lifecycle funds are designed to be diversified "one-stop" options. The funds have two different styles: target risk and target date.

- **Target risk funds** typically invest in a mix of stocks, bond and stable value funds with an asset allocation consistent with the Participant's risk tolerance, generally indicated as aggressive, moderate or conservative.
- **Target date funds** also invest in a mix of stocks, bond and stable value funds. However, the allocation of the funds is tied to a Participant's age or retirement date and gradually shifts more toward bonds and stable value, thus becoming more conservative, as the investor nears the retirement date in the fund's name.

The Program currently has both target date and target risk funds, including:

- **Hartford—SSgA Target Date Funds (Income through 2045) - Target Date**
- **ING—Custom Portfolios (Conservative, Moderate and Aggressive)—Target Risk**
- **ING—ING Solution Portfolios (Income Through 2045) - Target Date**

During the November 2009 Committee meeting, the Program made several decisions regarding these funds including, exploring replacements for the SSgA Target Date Funds, removing the ING Solution Portfolios and reviewing the funds within the ING Custom Portfolios. For additional information on these upcoming changes, please contact our office or visit the Plan's website.

Welcome to the first edition of the Retiree Corner. Retirees are an important part of NDC and we want to ensure you stay informed regarding topics that are important to you.

Distribution options can be an important decision for retirees. When the time comes to start receiving payments from NDC, be sure you understand your options. Distribution options in the Plan, include:

- **Systematic withdrawals (you choose frequency and amount)**
- **Full or partial lump-sum**
- **Required Minimum Distributions (RMD)**
- **Annuity payment options**

Each of these options has inherent benefits. For example systematic withdrawals allow you to take money out while keeping the rest of your money in your account, growing tax-deferred. Full or partial lump-sum distributions provide the money you want to live on, but there are tax consequences to consider. Taking only the RMD at age 70 1/2, based on IRS uniform life expectancy tables, will ensure that your funds stretch over your lifetime and may minimize tax consequences. Finally, annuities offer a way to generate a steady stream of income that is guaranteed.

When considering your distribution options, you may want to consult a financial or tax advisor to help you evaluate which choice may be best for your specific situation.

Hartford



Dear Participant:

As the New Year approaches, it is a good time for reviewing and rebalancing your retirement account. That means considering your investments performance and making sure what you hold in your account matches the asset allocation you've chosen, based on your risk tolerance and time horizon. If you find your portfolio has shifted from your original allocation, consider these rebalancing strategies:

Do It Yourself.

You might rebalance all at once by reallocating some shares of the small-cap and international stock funds to the large-cap stock fund and a bond fund. Or

stock fund and a bond fund. Or you could rebalance gradually by directing all new contributions to a large-cap stock fund and a bond fund until you return to your original allocation.

Consider shifting your allocation as you age.

As retirement approaches, you may choose to invest more conservatively, because you have less time to recover from short-term market swings. And when you stop working, you'll rely on your portfolio for income. One way to reduce your risk would be to invest less in growth oriented stock funds and more in income-producing funds. Remember, you can gradually shift your allocation toward more conservative investments, making small changes each year.

Adapting as your life changes.

Finally, remember every major life change calls for a review of your investments, your risk tolerance and your asset allocation strategy.

As you begin your annual rebalancing, be sure to consider all your personal circumstances. Some important life events may cause you to reconsider your allocation. By contributing to your 457, you've already taken the first step toward achieving a secure retirement. In the New Year, take the next step: resolve to review your investments and, if necessary, rebalance. And, if you have taken a break from contributing, make it a New Year's resolution to get your savings back on track.

Robert Trenerry
Regional Manager
The Hartford



Your Hartford Team

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Are you saving enough for retirement?

How much can you afford to save from each paycheck?

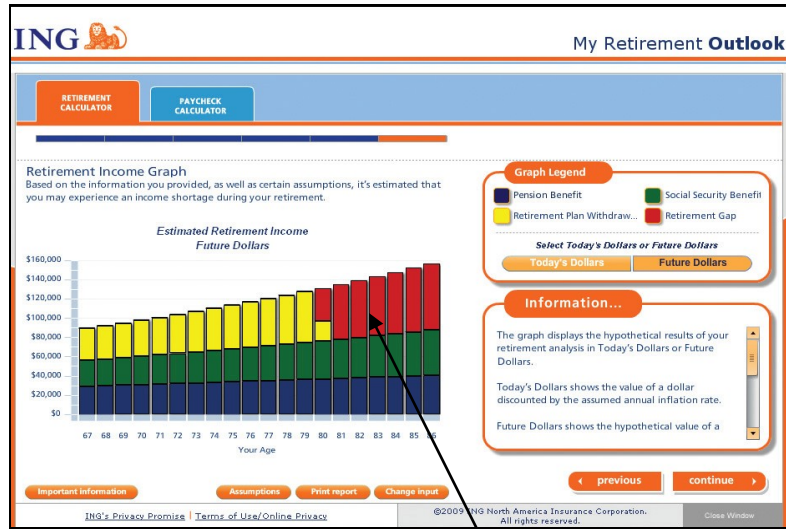
Are you "on track" to pursuing your retirement objectives or do you need to close the retirement income gap by saving more?

If you have these questions, My Retirement Outlook may have the answers!

My Retirement Outlook can make closing the retirement income gap easier, delivering two powerful calculators in one simple tool. In only a few steps the retirement analysis calculator allows you to estimate the amount you may need to save for retirement. The results are immediately presented in an easy-to-read graph that identifies potential gaps in your retirement funding. The paycheck analysis calculator allows you to compare your current contribution level to three other contribution levels. This comparison quickly illustrates how various contribution levels can impact your take home pay today. By combining the retirement and paycheck analysis calculators, you get a more complete review of your retirement needs. In other words, you will be better prepared to close the gap!

Check out **My Retirement Outlook** by visiting: www.ingretirementplans.com

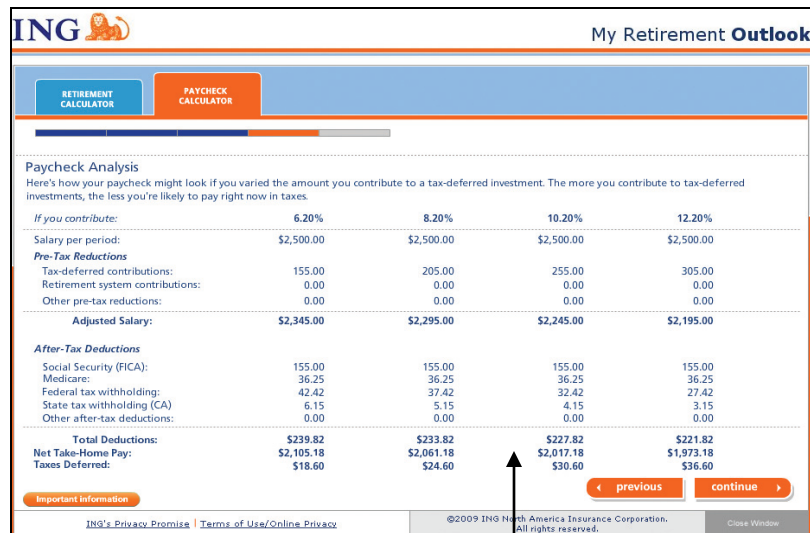
RETIREMENT ANALYSIS



RETIREMENT

The retirement income graph illustrates whether you might have an income gap to fill. You can also modify key variables and recalculate the results immediately.

PAYCHECK ANALYSIS



	6.20%	8.20%	10.20%	12.20%
If you contribute:				
Salary per period:	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00
Pre-Tax Reductions				
Tax-deferred contributions:	155.00	205.00	255.00	305.00
Retirement system contributions:	0.00	0.00	0.00	0.00
Other pre-tax reductions:	0.00	0.00	0.00	0.00
Adjusted Salary:	\$2,345.00	\$2,295.00	\$2,245.00	\$2,195.00
After-Tax Deductions				
Social Security (FICA):	155.00	155.00	155.00	155.00
Medicare:	36.25	36.25	36.25	36.25
Federal tax withholding:	42.42	37.42	32.42	27.42
State tax withholding (CA):	6.15	5.15	4.15	3.15
Other after-tax deductions:	0.00	0.00	0.00	0.00
Total Deductions:	\$239.82	\$233.82	\$227.82	\$221.82
Net Take-Home Pay:	\$2,105.18	\$2,061.18	\$2,017.18	\$1,973.18
Taxes Deferred:	\$18.60	\$24.60	\$30.60	\$36.60

TAKE HOME

The paycheck comparison illustrates how your paycheck and take home pay might look at different contribution levels.



Your ING Team

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**NEVADA PUBLIC EMPLOYEES
DEFERRED COMPENSATION PROGRAM**



Andrew Clinger

Don Hataway

Ginny Wiswell

Thank you for your service to the Deferred Compensation Committee.
We appreciate the time you gave and the dedication you showed as a
Committee member.

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